

H-3108-1 - RELINQUISHMENTS, TERMINATIONS, AND CANCELLATIONS

Committee Resolution of the House of Representatives
Committee of Insular Affairs, Dated July 13, 1983,
Concerning Lease Reinstatements Under Public Law 97-451

COMMITTEE ON INTERIOR AND INSULAR AFFAIRS
U.S. HOUSE OF REPRESENTATIVES
WASHINGTON, D.C. 20515

COMMITTEE RESOLUTION

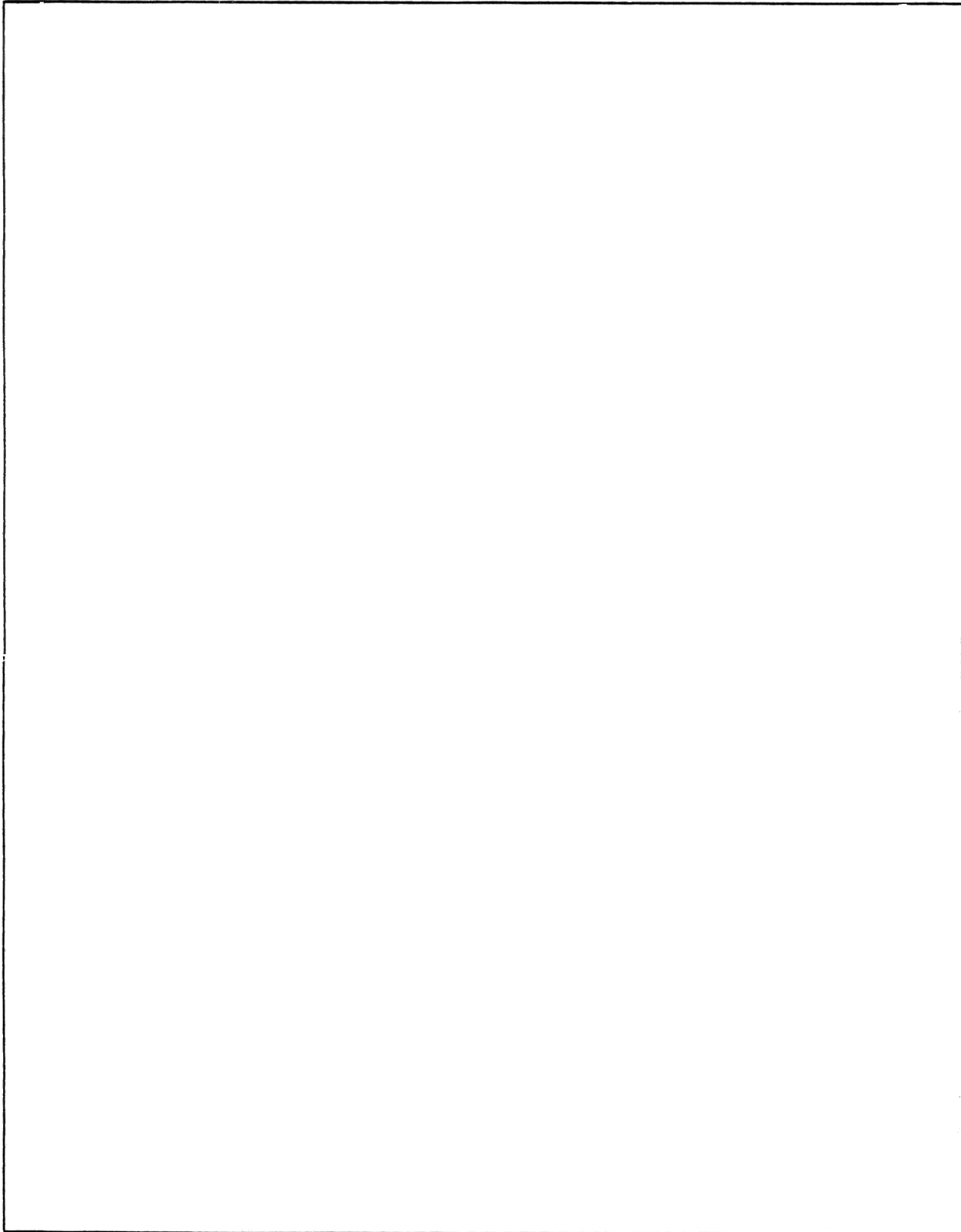
WHEREAS, the Congress of the United States enacted Title IV of Public Law 97-451 granting to the Secretary of the Interior discretionary authority, in the interest of equity, to reinstate, under specified terms and conditions, certain Federal oil and gas leases and to issue leases in lieu of certain unpatented oil placer mining claims that otherwise terminated by operation of law; and

WHEREAS, all legal right, title and interest of such former lessees and claimants to such former leases and claims had terminated; and

WHEREAS, by definition, any reinstatement of a terminated lease dates back to the date of its termination by operation of law and not to the date of any administrative action of the Secretary of the Interior approving such reinstatement (which administrative action may take place several years after actual termination of the former lease); and

WHEREAS, the Secretary of the Interior was without legal authority to reinstate such terminated leases or to issue leases in lieu of such claims prior to the enactment of Title IV of Public Law 97-451, such rights having been reserved to the Congress; and

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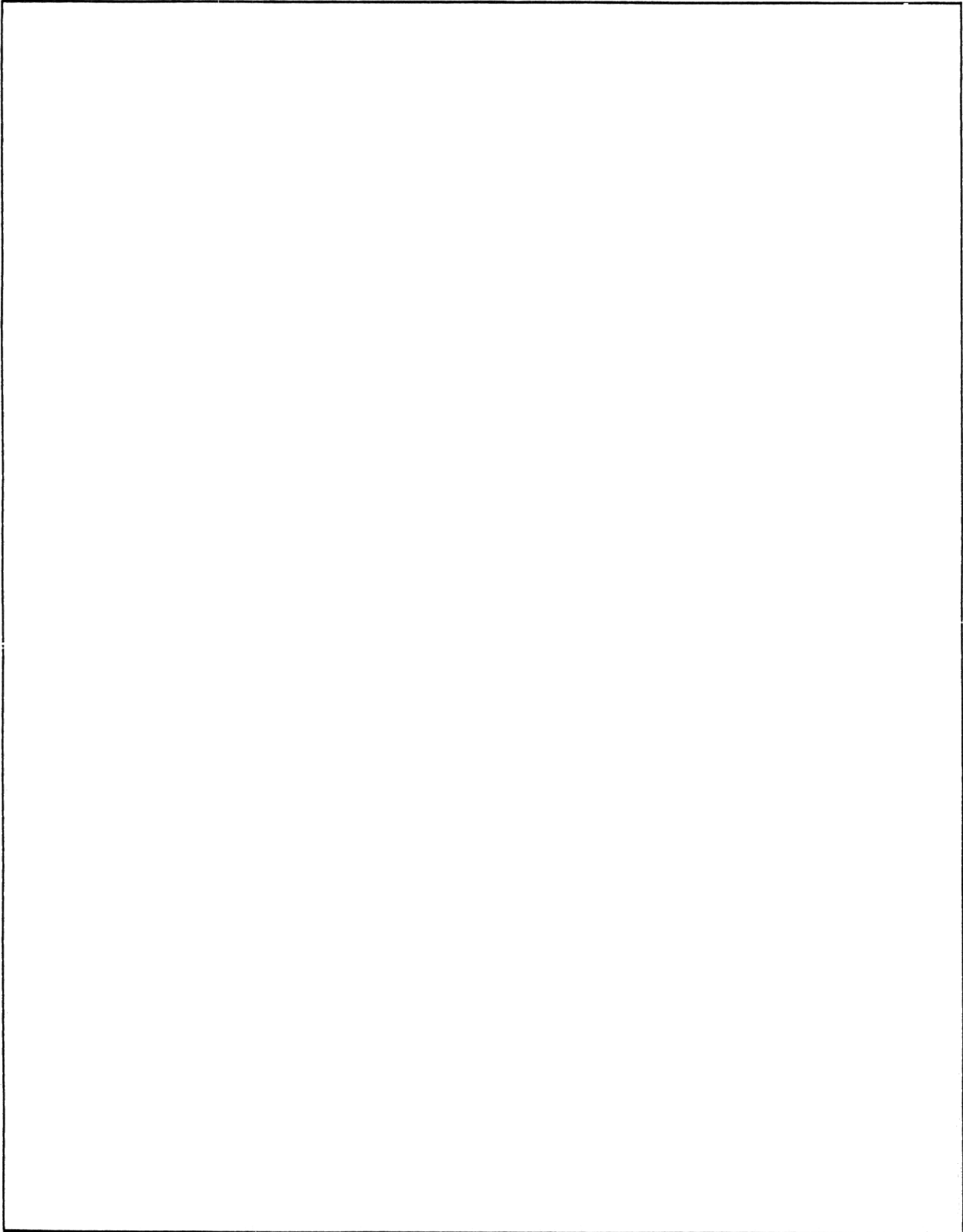
WHEREAS, there has been some uncertainty expressed about the intent of Congress with respect to the date of application of the increased rental and royalty provisions of Title IV of said Act;

NOW, THEREFORE, BE IT RESOLVED by the Committee on Interior and Insular of the United States House of Representatives,

That, in enacting Title IV of Public Law 97-451, the Congress intended that former lessees and claimants who apply for reinstatement of terminated leases or to have leases issued in lieu of such claims pursuant to Title IV of that Act should not be permitted to benefit, at the expense of both Federal and State Governments and the general public, from their own errors and/or acts of omission, and therefore the Congress specifically provided for increased rental and royalty payments effective from the date of termination or abandonment of any former lease or claim; and

That the Congress acted with one specific intent, viz. to require a substantially increased rental payment from the date of termination or abandonment and substantially increased royalty payments on all production made subsequent to the date of termination or abandonment as consideration for reinstating either a terminated oil and gas lease or to issue a lease in lieu of an unpatented oil placer mining claim, and the provisions of Public Law 97-451 related thereto were specifically and deliberately separated

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on a sliding scale based upon the average production per well day, at a rate which shall be not less than 4 percentage points greater than the existing competitive royalty schedule, and that the rental and royalty rate for a noncompetitive lease issued pursuant to section 17(c) shall be not less than \$5 per acre per year rental and not less than 16-2/3 percent royalty on production; and

That, upon adoption of this resolution by the Committee on Interior and Insular Affairs of the United States House of Representatives, the Chairman shall transmit a copy thereof to the Secretary of the Interior.



MORRIS K. UDALL, Chairman

Adopted July 13, 1983